



To: The Senate Committee on Energy, Economic Development, and Tourism
From: Brodie Lockard, Founder, 350Hawaii
Date: Friday, February 1, 2019, 3:00 pm

In support of SB 1002 HD1

Dear Chair Wakai, Vice Chair Taniguchi and Committee members,

I am the founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org supports SB 1002.

Seawater Air Conditioning (SWAC) deserves the support of the state. It is very well-suited to Hawaii because of our warm climate, and the proximity of so many large buildings to water, particularly in downtown Honolulu.

SWAC lowers electrical costs and provides rate stability. It currently cools eight state buildings in downtown Honolulu, reducing electricity use by over 5.3 million kilowatt hours yearly. (The average U.S. utility customer uses about 11,000 kilowatt hours yearly.) [1]

SWAC is clean, renewable, and has no significant environmental impact. It cools air directly, requiring no conversion to electricity. It reduces fossil fuel use and greenhouse gas emissions.

District Cooling provides high reliability (generally 99.99% or greater) and can cool 24hrs/day, 365 days/year.

SWAC reduces sewer production and water usage, and requires minimal on-site equipment and maintenance.

Please support this bill so SWAC can expand, save more electricity and reduce Hawaii's greenhouse gas emissions even more.

Thank you for the opportunity to testify.

[1] [http://www.honoluluswac.com/assets/pdfs/20171114-2 Chilled water will now cool 8 state facilities in Downtown Honolulu - Hawaii News Now - KGMB and KHNL.pdf](http://www.honoluluswac.com/assets/pdfs/20171114-2%20Chilled%20water%20will%20now%20cool%208%20state%20facilities%20in%20Downtown%20Honolulu%20-%20Hawaii%20News%20Now%20-%20KGMB%20and%20KHNL.pdf)

Brodie Lockard
Founder, 350Hawaii



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Testimony on

S.B. 1002

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST SEAWATER AIR CONDITIONING PROJECTS ON OAHU

Before the
State Senate

COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Friday, February 1, 2019

By

Eric Masutomi, CEO and President
Honolulu Seawater Air Conditioning, LLC

Chair Wakai, Vice Chair Taniguchi and Members of the Committee:

Honolulu Seawater Air Conditioning (HSWAC) encourages your approval of S.B. 241 which extends the authorization to issue \$77 million in special purpose revenue bonds (SPRBs) for Honolulu Seawater Air Conditioning, LLC for the construction of a seawater air conditioning district cooling system on Oahu.

HSWAC appreciates the prior support that the Hawaii State Legislature has provided for this initiative, including the authorization of a total of \$145M in SPRBs for the HSWAC project. \$77 million of the total were authorized by the Legislature in 2014 and will expire June 28, 2019. This bill extends this SPRB authorization from June 28, 2019 to June 30, 2024.

HSWAC's Downtown Honolulu Seawater Air Conditioning project will service approximately 14 million square feet of downtown building space. In addition to the compelling environmental and renewable energy benefits associated with deep water cooling, the project will generate more than \$300 million of dollars in construction spending and create more than 1,348 direct construction-related jobs in 2020 through 2023. In addition, it would create long-term, high-value employment opportunities and establish the State as a leading authority on the development and installation of seawater air conditioning systems throughout the Asia-Pacific region. Other local economic benefits would accrue from money that stays in Hawaii and is not exported outside the State to purchase oil.

Longer-than-expected permitting and regulatory reviews and closings of key customer agreements necessitated HSWAC to postpone the earlier sale of SPRBs. Despite these challenges, HSWAC's commitment to the project has not waned; over \$25 million in private capital has been invested to-date in the development of the project. In addition to State of Hawaii SPRBs, the balance of HSWAC funding consists of taxable revenue bonds and equity investment. With an anticipated construction start in early 2020, HSWAC expects to use all of its authorized SPRBs within the next two years. The requested SPRBs are an important element in providing economically feasible project financing.

Thank you for this opportunity to testify.

SB-1002

Submitted on: 1/31/2019 2:45:21 PM

Testimony for EET on 2/1/2019 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments: